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2430 H Street, N. W.

Washington, D. C.

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Chief, Mediterranean Bureau Foreign Broadc at Information Service

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11th September, 1947

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This will acknowledge your letter of 18 August 1947, transmitting your obligations report for the first six months of fiscal 1948. The report will be submitted to Finance Division with a justification prepared in this office for excesses over your funds allocation. In the future, such justification should be prepared in detail in your office, citing for example not "certain expenses which caused request for increased allocation last quarter" but specific items and amounts with demonstration of necessity.

It is true that you have not been kept preperly informed of the extent to which you have been authorized to carry out expansion projects, nor even of what funds are available to you for normal operations. The fundamental reason is that the amount of the first congressional appropriation to GIG as a whole was not known until a month ago, and that Finance Division itself has still been in the process of organization. For example, at about the time you submitted your '48 budget estimates, it was discovered that CIG 148 estimates had already gone to Bureau of the Budget on the basis of thumbnail guesses.

New, however, you should regard the quarterly allocations of Finance Division as a binding limitation, and prepare detailed estimates and justifications for operations which require obligations in excess of them. If this office approves them from an operational standpoint, it will request and justify the corresponding revision of your allocation; and approval from this office when transmitted to you will therefore imply the availability of funds.

I shall be looking forward to receipt of your forerall report" with recommendations for expansion. Pending physical transfer of your operation, however, I believe that appointments to your staff and operational increases should be curtailed drastically. Budget estimates for fiscal 1949 have been submitted by this office on the

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basis of present operational costs, and it is hoped that your new location will permit many economies in compensation for expanding operations.

Very truly yours,

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Acting Chief, FRIB